

REMARKS

Claims 1-21 are pending, with Claims 1, 6, and 10 being in independent form. In the present amendment, Claims 1, 3, 6, 10, 14, and 19 have been amended either to clarify the nature of the present invention or to correct minor errors, Claim 9 has been canceled without prejudice, and dependent Claims 22 and 23 have been added. Reconsideration and withdrawal of the rejections are requested on the basis of the foregoing amendments and following remarks.

In the Final Office Action dated 4 December 2002, the following grounds of rejection were raised:

- I. Claims 1, 4-10, 12, and 15-21 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Lambert* (Lambert, P., "FCC puts satellite DAB plan up for comment," *Broadcasting*, Vol. 122, no. 143 (October 19, 1992), p. 28, hereinafter *Lambert*) in view of *Foladare et al.* (U.S. Patent 5,819,160, hereinafter *Foladare*) and Official Notice (Office Action, ¶4);
- II. Claims 11 and 13 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare*, Official Notice, and *Eller et al.* (U.S. Patent 5,889,860, hereinafter *Eller*) (Office Action, ¶5);
- III. Claims 2 and 3 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare*, Official Notice, and *Frey et al.* (U.S. Patent 6,369,908, hereinafter *Frey*) (Office Action, ¶6); and
- IV. Claim 14 was rejected under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare*, Official Notice, *Eller*, and *Kazmierczak et al.* (U.S. Patent 5,615,264, hereinafter *Kazmierczak*) (Office Action, ¶7);).

Before responding to the specific rejections listed above, applicant notes recent revisions to the MPEP. Specifically, the first revision (Rev. 1) of the Eighth edition, which was just published in February 2003, has a completely revised **§2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art**. This section needed to be rewritten because of recent decisions of the Federal Circuit which greatly limit the circumstances under which an Examiner can

assert "Official Notice" without documentary evidence. Some specific passages (with emphasis added) from the revised §2144.04 are reprinted below:

Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. **While "official notice" may be relied on, these circumstances should be rare when an application is under final rejection or action under 37 CFR 1.113.** Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known.

...
It would **not** be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. For example, assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. ...; *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice.").

It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697 ("[T]he Board cannot simply reach conclusions based on its own understanding or experience—or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."). While the court explained that, "as an administrative tribunal the Board clearly has expertise in the subject matter over which it exercises jurisdiction," it made clear that such "expertise may provide sufficient support for conclusions [only] as to peripheral issues." *Id.* at 1385-86, 59 USPQ2d at 1697. As the court held in *Zurko*, an assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* at 1385, 59 USPQ2d at 1697. See also *In re Lee*, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (In reversing the Board's decision, the court stated " 'common knowledge and common sense' on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation....**The board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.**").

...
Ordinarily, there must be some form of evidence in the record to support an assertion of common knowledge. See *Lee*, 277 F.3d at 1344-45, 61 USPQ2d at 1434-35 (Fed. Cir. 2002); *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 (holding that general conclusions concerning what is "basic knowledge" or "common sense" to one of ordinary skill in the art without specific factual findings and some concrete evidence in the record to support these findings will not support an obviousness rejection). ... **If such notice is taken, the basis for such reasoning must be set forth explicitly. The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge.** See *Soli*, 317 F.2d at 946, 37 USPQ at 801; *Chevenard*, 139 F.2d at 713, 60 USPQ at 241. The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice and be allowed to challenge the assertion in the next reply after the Office action in which the common knowledge statement was made.

...
If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to

be maintained. See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). **If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding.** See 37 CFR 1.104(d)(2).

As the passages quoted from the most recent edition of the MPEP above show,

- "Official Notice" is only appropriate in limited circumstances, and it should be *rarely* used in a Final Rejection;
- If used, Official Notice should be taken of facts capable of instant and unquestionable demonstration;
- If not capable of instant and unquestionable demonstration, an asserted fact must be supported by a prior art reference;
- If Official Notice is traversed by the applicant, the Examiner must provide documents supporting the alleged fact in the next Office Action; if necessary, the Examiner must provide an affidavit/declaration setting forth specific factual statements.

In this Final Rejection, the Examiner has asserted "Official Notice" of at least ten findings *for the very first time*. In the previous Office Action (which was the first), the Examiner had not taken Official Notice of anything. Applicant respectfully requests an explanation of what "rare" circumstances has forced the Examiner to rely on "Official Notice" not merely once in the Final Rejection, but ten times. Applicant respectfully suggests that, if there are no clearly extraordinary circumstances justifying the repeated reliance on Official Notice in this Final Rejection, the rejections in which Official Notice is used (which includes all of the present rejections) be withdrawn.

It should also be noted that each assertion of "Official Notice" in the Final Rejection is being traversed by the applicant in this response, as will be described in detail below.

I. Rejection of Claims 1, 4-10, 12, and 15-21 under 35 U.S.C. §103(a)

The Examiner rejected all of the independent claims, i.e., Claims 1, 6, and 10, as well as some of the claims dependent thereon, i.e., Claims 4-5, 7-9, 12, and 15-21, under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare* and Official Notice (Office Action, ¶4). Specifically, the Examiner alleges that all the elements in independent Claims 1 and 6 are taught by the combination of *Lambert* and *Foladare*, except for "transmitting to the mobile terminal via a wireless communication network at predetermined time intervals and without user action, an offer to download a digitally formatted product" (Office Action, ¶4, page 3); and "transmitting the digitally formatted product to the mobile terminal in response to the user's acceptance" (Office Action, ¶4, page 4).

Thus, the Examiner admits that the cited prior art references do *not* teach two of the four steps recited in independent method Claim 1 of the present application. Instead, the Examiner uses "Official Notice" to remedy the deficiencies in the cited prior art references (Office Action, ¶4, pages 3, 4). This is impermissible under recent Federal Circuit cases (see, e.g., *In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002)). Because of this, applicant respectfully traverses these Official Notices (as will be described in greater detail below).

Before considering the specific allegations of the Examiner, the cited prior art references will be discussed.

Lambert is a 711 word article from 1992 in which three different news items concerning three different technologies (satellite-delivered digital audio broadcasting (DAB), next generation AM/FM radio receivers that are capable of receiving and displaying text, and encryption devices for cable and satellite descramblers) are discussed. In the first section (*Lambert*, page 1, ¶¶1-7), it is reported that the FCC accepted an application from a company called Satellite CD Radio to deliver CD-quality audio services to satellite receivers mounted in automobiles. This section mentions that Satellite CD Radio plans to launch two satellites ("birds") which will "deliver 30 channels of nonstop commercial-free subscription and "pay-per-listen" music formats" (*Lambert*, page 1, ¶5) and "[f]or a subscription fee of about \$5-10 per month, ...it will deliver ... formats ... rarely available in local radio markets" (*Lambert*, page 1, ¶¶6). This section does not describe how a user subscribes to these satellite radio services, nor does it define the term "pay-per-listen".

In the second section (*Lambert*, page 1, ¶¶8-10), it is reported that the National Radio System Committee (NRSC) approved a new standard called "Radio Broadcast Data System

(RBDS)" for AM/FM radio broadcasts. This new standard would allow the next generation of AM/FM radio receivers to receive text transmissions, such as station identifications, program information, and emergency alerts (*Lambert*, page 1, ¶9). There is no connection between this story and the story in the previous section.

In the third section (*Lambert*, page 2, ¶¶1-4), it is reported that the FCC is expected to undertake an official inquiry into encryption technology for cable programming. The impetus for the inquiry appears to be the fact that General Instrument "remains the only supplier of decoders" (*Lambert*, page 2, ¶2). There is no connection between this story and the other two stories in the previous section.

The Examiner appears to have not recognized there are three different stories concerning three different technologies in *Lambert*, because more than once the Examiner refers to paragraphs in different stories in *Lambert* as if they were referring to the same technology. Specific instances of this will be noted below. Because most of the Examiner's citations to *Lambert* refer to the first story, the term "*Lambert*" as used below shall refer to the first story, unless otherwise indicated.

Foladere describes a radio subscription service in which a user using a digital radio remotely accesses a subscription control system where the user selects content from a content database and the selected content is stored as a "playlist" (*Foladere*, Abstract; col. 2, lines 1-7). A playlist may consist of user-selected musical pieces or audio literary works (*Foladere*, col. 2, lines 45-55). In addition, the user may select a predefined keyword, such as "BASEBALL", or a predefined playlist, such as this week's top ten musical works in a particular genre (*Foladere*, col. 2, lines 55-62; col. 6, lines 4-13). In these cases, the subscription system automatically selects the items to be put in the playlist (*id.*). Later on, the user can re-connect to the subscription control system and request a playlist, whereupon the items in the playlist are transmitted to the user's digital radio for playback (*Foladere*, Abstract; col. 2, lines 1-7). Although the service in *Foladere* is called a "subscription" service, no description or suggestion of how the user initially subscribes to the service is provided; in addition, the user in *Foladere* always initiates contact with the subscription service, i.e., the subscription service never contacts the user.

By contrast, independent amended Claim 1 of the present application recites a method in which a user of a mobile terminal initially subscribes to an online subscription service by interacting with a subscription server on the Internet. Having subscribed to the service, the user

then receives, *without any action on his or her part*, an offer to download a digitally formatted product. This offer is transmitted to the user's mobile terminal via a cellular telephone network. The user may then respond, via the cellular telephone network, indicating whether the user wishes to accept the offer. If the user accepts the offer, the digitally formatted product is transmitted to the user's mobile terminal via the wireless communication network.

Before specifically traversing the rejection of the Examiner, two general points should be made regarding these three systems:

First, Claim 1 recites two different networks: the Internet, where the subscription server is located, and a cellular telephone network, of which the mobile terminal is a part. Neither *Lambert* nor *Foladare* teach or suggest two different networks. Furthermore, neither *Lambert* nor *Foladare* teach or suggest **both** a subscription server located on the Internet, **and** a mobile terminal located on a cellular telephone network. Although the subscription server of Claim 1 must be able to communicate over the cellular telephone network with the mobile terminal, the means of this communication link are indeterminate, e.g., the subscription server may communicate over the Internet to a gateway server connected to the cellular telephone network, or the subscription server may have a direct connection with the cellular telephone network, or there may be several intermediate links between the subscription server and the mobile terminal. This separation is advantageous for the system, because the user may access the subscription server by more than one path. For example, the first step of Claim 1, where the user subscribes to the service, may be performed by the user by means of the mobile terminal on the cellular network, or by means of a terminal (e.g., a personal computer at the user's house) connected directly to the Internet. Because Claim 1 recites two different networks (the Internet, where the subscription server is located, and a cellular telephone network, of which the mobile terminal is a part), and neither *Lambert* nor *Foladare* teach or suggest two different networks, or having **both** a subscription server located on the Internet, **and** a mobile terminal located on a cellular telephone network, Claim 1 is patentably distinguishable over the combination of *Lambert* and *Foladare*.

Second, although *Lambert*, *Foladare*, and Claim 1 of the present application refer to "subscriptions" and/or "subscribers", the use of these terms is fundamentally different in each of the three systems.

The invention recited in amended independent Claim 1 is directed to a service in which a subscriber, after subscribing, receives periodic offers to download digitally formatted

products from a subscription service. In *Lambert*, a user pays a monthly fee to receive a non-stop satellite digital radio service, which is presumably streaming in real-time, i.e., not stored in the radio but played as soon as it is received. Although completely unexplained and undefined, the "pay-per-listen" service mentioned once in *Lambert* presumably allows a user to pay a one time fee to receive streaming radio service on a particular channel for a set period of time (e.g., for the duration of a live baseball game or boxing match). In *Foladere*, the 'subscriber' accesses a subscription service which maintains subscriber-selected playlists and, if he or she desires, the subscriber downloads a playlist of audio material to the digital audio device of the subscriber. In independent Claim 1 of the present application, the 'subscriber' belongs to a subscription service which automatically (i.e., without user intervention) sends periodic offers for downloadable material to each subscriber.

In other words, *Lambert* refers to a radio service subscription (like a subscription to a magazine or a cable TV service), and *Foladere* maintains a virtual library for its subscribers, but Claim 1 of the present application provides a virtual Book-of-the-Month club. In a Book-of-the-Month Club, the subscriber receives by mail every month an offer to receive a particular book. The subscriber either rejects or accepts the offer, by mailing back the offer with a written indication as to the choice of the subscriber. In some cases, the book itself is mailed with the offer to the subscriber, and the subscriber either keeps it (indicating acceptance) or sends it back (indicating rejection). By contrast, in the virtual library of *Foladere*, subscribers create lists of material which the subscriber system holds for them, and then "loans" out to the subscribers when the subscribers want the material. In the radio subscription service of *Lambert*, a continuous stream of audio material is sent to a satellite radio of the user, either on a monthly or pay-per-listen basis. Because Claim 1 recites a virtual Book-of-the-Month Club, and the combination of *Lambert* nor *Foladere* neither teaches nor suggests a virtual Book-of-the-Month Club, Claim 1 is patentably distinguishable over the combination of *Lambert* and *Foladere*.

Below are specific responses to the specific assertions made by the Examiner in support of his rejection below. Please note that these responses follow the order in which the Examiner made the assertions in the Office Action, and each response may also be applicable to other elements of claims, or other claims, in the present application.

There are four steps in independent Claim 1: a first, or "subscribe", step; a second, or "offer", step; a third, or "response", step; and a fourth, or "download", step. The Examiner alleges that both the first (subscribe) step and the third (response) step are taught by the combination of

Lambert and *Foladare*. The Examiner admits that the combination of *Lambert* and *Foladare* do **not** teach the second (offer) step nor the fourth (download) step, but instead asserts that a combination of *Lambert*, *Foladare*, and Official Notice make the offer and download steps obvious under 35 U.S.C. §103. This is incorrect: the combination of *Lambert*, *Foladare*, and Official Notice does not teach any of the four steps in Claim 1.

The Examiner starts the Office Action with an argument that the combination of *Foladare* and *Lambert* make the first (subscribe) step of Claim 1 obvious under 35 U.S.C. §103. This is incorrect.

The amended subscribe step of Claim 1 reads as follows:

"subscribing, by the user, to the on-line subscription service by interacting with a subscription server on the Internet;"

The Examiner starts his argument by alleging that "subscribing, by the user, to the on-line subscription service by interacting with a subscription server" is taught by *Lambert* at page 1, ¶¶5-6 (Office Action, ¶4, page 2). This is incorrect. *Lambert* does not teach, suggest, or otherwise discuss **how** users subscribe to the satellite digital radio service. Furthermore, *Lambert* does not teach, suggest, or otherwise discuss a "subscription server". In fact, there is no suggestion in *Lambert* that such a server (as recited in Claim 1 of the present application) might exist.

The Examiner next alleges that "transmitting via a wireless communication network a digitally formatted product to the mobile terminal" is taught by *Lambert* at page 1, ¶¶1, 5, 6, 9 (Office Action, ¶4, page 2).¹ This is incorrect. *Lambert* discusses a digitally formatted **stream** of audio material for live, real-time play. Claim 1 of the present application recites downloading a digitally formatted product (i.e., a complete object, such as an audio file, an image file, a video file, a text file, etc.) to a mobile terminal. In other words, the receiver in *Lambert* plays a radio broadcast in real-time as it is received in streaming format; whereas the mobile terminal in Claim 1 downloads a complete device-readable file, which then may be accessed (e.g., played, viewed, read, etc.) by the user. In fact, because the digitally formatted product in Claim 1 is downloaded to the mobile terminal, it may be accessed again and again (if stored permanently) by the user; whereas the digitally formatted stream in *Lambert* is ephemeral, i.e., it is played while received, and does not form a product or file stored in the receiver. There is no suggestion in *Lambert* that an entire

¹ It should be noted that ¶ 9 on page 1 of *Lambert* is **unrelated** to ¶¶1, 5, and 6. As related above, ¶¶1-7 concern a satellite digital audio service, and ¶¶8-10 concern the next generation of terrestrial AM/FM radio receivers.

device-readable file is downloaded to a mobile terminal (as recited in Claim 1 of the present application) and, furthermore, there is no suggestion in *Lambert* that a particular section of the digitally formatted audio stream may be accessed by the user at any point in time after that particular section has been broadcast.

The Examiner alleges that *Foladare* "teaches permitting a user to subscribe to a service for providing music over a wireless network wherein the user enters his account information over the Internet (col. 5, lines 39-51)" (Office Action, ¶4, pages 2-3). This is incorrect. *Foladare* does not teach, suggest, or otherwise discuss *how* users subscribe to the radio subscription service. The lengthy passage ("col. 5, lines 39-51") cited by the Examiner **does not describe how users subscribe to the service**; in fact, there is only one passing reference to the fact that users have to initially subscribe to the service ("The subscriber ID code is a code unique to each subscriber and is assigned by the system when a subscriber subscribes to the system ...," emphasis added, *Foladare*, col. 5, lines 47-49). Although "a radio subscription system" and "a subscription content database" are referred to in *Foladare*, neither of these objects are used to initially subscribe the user. The "radio subscription system" is where both audio content and each user's playlists are stored (*Foladare*, col. 3, line 59-col. 4, line 46). The "subscription content database" stores audio material and information concerning the stored audio material (*Foladare*, col. 4, lines 21-38). There is no suggestion in *Foladare* that either the subscription system or the subscription content database is used to sign up a subscriber. *Foladare* does not teach, suggest, or otherwise discuss a user interacting with a subscription server in order to subscribe to an on-line subscription service (as recited in Claim 1 of the present application).

Lastly in the Examiner's argument concerning the first (subscribe) step of Claim 1, the Examiner concludes that "it would have been obvious to one of ordinary skill in the art, to modify *Lambert* to include teach [*sic*] using a wide area network to subscribe for [*sic*] the on-line subscription service in order to permit users to quickly and conveniently subscribe for music service" (Office Action, ¶4, page 3). This is incorrect.

First, it is unclear what the Examiner thinks motivates the combination of *Lambert* and *Foladare*. As stated by the Federal Circuit, "to establish obviousness based on a combination of ... elements disclosed in the prior art, there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant" (*In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000)). It appears that the Examiner's suggested

motivation for combining *Lambert* and *Foladare* is the fact that the combination would "permit users to quickly and conveniently subscribe for music service". However, this is unacceptably vague. It has not been shown that a person of ordinary skill in the art, seeking to make the process of subscribing to a music service *easier*, would reasonably be expected or motivated to combine the teachings of *Lambert* and *Foladare*. The Examiner "must identify **specifically** the principle, known to one of ordinary skill, that suggests the claimed combination." (emphasis added, *In re Rouffet*, 149 F.3d 1350, 1359, (Fed. Cir. 1998)). If the Examiner is asserting that making subscription "easier" is the motivation behind combining *Lambert* and *Foladare*, it is impermissibly vague and general.

Second, insofar as the Examiner's reasoning for combining the references is unclear, the Examiner has not made a *prima facie* case of obviousness. As stated by the Federal Circuit, "**particular** findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed" (emphasis added, *In re Kotzab*, 217 F.3d 1365, 1371, (Fed. Cir. 2000)). Furthermore, the Examiner "must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious." (emphasis added, *In re Rouffet*, 149 F.3d 1350, 1359, (Fed. Cir. 1998)). Insofar as the Examiner has not made his reasons for combining these two references clear, the Examiner has not met his burden of showing the motivation behind this combination.

Third, even if the combination of *Lambert* and *Foladare* was permissible in this context (which, as shown above, it is not), the combination of *Lambert* and *Foladare* do not teach the individual limitations which the Examiner combines in order to teach the subscribe step. In other words, because *Lambert* teaches neither "subscribing, by the user, to the on-line subscription service by interacting with a subscription server" nor "transmitting via a wireless communication network a digitally formatted product to the mobile terminal", and *Foladare* does not teach "permitting a user to subscribe to a service for providing music over a wireless network", their combination could not teach the subscribe step ("subscribing, by the user, to the on-line subscription service by interacting with a subscription server on the Internet").

At least for all of the above reasons, the combination of *Foladare* and *Lambert* neither teaches nor suggests the amended subscribe step of Claim 1 in the present application.

The Examiner admits that the combination of *Lambert* and *Foladare* does *not* teach the second (offer) step of Claim 1, but instead asserts that a combination of *Lambert*, *Foladare*, and Official Notice make the offer step obvious under 35 U.S.C. §103. This is incorrect.

The amended offer step of Claim 1 reads as follows:

"transmitting to the mobile terminal via the cellular telephone network at predetermined time intervals and without user action an offer to download a digitally formatted product;"

After admitting that *Lambert* and *Foladare* do not teach this step, the Examiner states:

... However, the examiner takes Official Notice that presenting viewers with offers for the purchase of television programming, on an automatic and continuous basis, is old and well known in the art. For example, "Pay-Per-View" advertisements for events such as movies and sporting events have long been presented to cable viewers. *Lambert* suggests combining its method with this well known step in that *Lambert* discloses providing wireless music services to listeners on a "pay-per-listen" basis (page 1, para. 5). Moreover, *Lambert* discloses transmitting *program information* to listeners of satellite radio (page 1, para. 8). Therefore, at the time of the applicants' invention, it would have been obvious to one of ordinary skill in the art, to modify *Lambert* and *Foladare* to include the teachings of transmitting to the mobile terminal via a wireless communication network at predetermined time intervals and without user action, an offer to download a digitally formatted product. This combination would provide a means for soliciting user [*sic*] for the purchase of paid programming on a unit basis.

(Office Action, ¶4, page 3)

The Examiner has made several errors in this paragraph.

First, *Lambert* does not suggest combining its service with a Pay-Per-View cable television service. The Examiner's alleged motivation for combining these two is simply that the term "pay-per-listen" is used in *Lambert*. However, as described above, *Lambert* provides no guidance as to the meaning of that term. The reader of *Lambert* has no idea what *exactly* is paid for: is it an hour of listening, or listening for the duration of a specific event (e.g., a boxing match), or something else? Either way, *Lambert* does not suggest downloading a digitally formatted product, as Claim 1 of the present application recites. Indeed, the only thing a reader can infer is being transmitted in *Lambert* is a continuously broadcasted stream. The passing reference to one term, which is not defined, can not be used to support a suggestion to combine references in an obviousness rejection.

Second, the Examiner is using Official Notice as the principal evidence in teaching this step. This is not permitted. As stated in the MPEP concerning Official Notice (quoted above),

"It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697 ("[T]he Board cannot simply reach conclusions based on its own understanding or experience—or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.").

Third, the Examiner is impermissibly vague: he does not specifically explain how the details of the offer step are taught by the prior art. For example, the offer step in Claim 1 is performed "at predetermined time intervals" and "without user action"; however, the Examiner provides no guidance as to how **specifically** his combination of *Foladare*, *Lambert*, and Official Notice teaches these details. As stated by the Federal Circuit, "[t]he need for specificity" is essential when explaining how a prior art combination teaches all the components in a claim rejected under §103 (*In re Lee*, 277 F.3d 1338, 1343 (Fed. Cir. 2002)). Furthermore, the Court stated that "[c]onclusory statements ... do not fulfill the [PTO]'s obligation. This court explained in *Zurko*, 258 F.3d at 1385, 59 U.S.P.Q.2D (BNA) at 1697, that "deficiencies of the cited references cannot be remedied by the [PTO]'s general conclusions about what is 'basic knowledge' or 'common sense.'" The {PTO}'s findings must extend to all material facts and must be documented on the record, lest the "haze of so-called expertise" acquire insulation from accountability." (*In re Lee*, 277 F.3d 1338, 1344-1345 (Fed. Cir. 2002)). In the instant case, similarly to the *In re Lee* case, the Examiner is remedying the deficiencies of the prior art with statements of general knowledge. The Examiner must "not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the [PTO]'s conclusion" (*In re Lee*, 277 F.3d 1338, 1344 (Fed. Cir. 2002)). The Examiner is using "conclusory statements" without adequately explaining his reasoning on the record in order to maintain this rejection.

Fourth, *Lambert* does **not** disclose "transmitting *program information* to listeners of satellite radio (page 1, para. 8)" (emphasis in original, Office Action, ¶4, page 3). As stated above, *Lambert* is comprised of three different stories about three different technologies. The section in *Lambert* which the Examiner is citing is referring to the next generation of terrestrial AM/FM radio receivers, **not** satellite radio, and presumably **not** digitally-formatted material. *Lambert* neither teaches nor suggest "transmitting *program information* to listeners of satellite radio".

Fifth, even if this combination of *Lambert*, *Foladare* and Official Notice was permissible in this context (which, as shown above, it is not), the combination of *Lambert*, *Foladare* and Official Notice does **not** teach the amended offer step, i.e., "transmitting to the mobile terminal via the cellular telephone network at predetermined time intervals and without user action an offer to download a digitally formatted product".

At least for all of the above reasons, the combination of *Lambert*, *Foladare* and Official Notice neither teaches nor suggests the amended offer step of Claim 1 in the present application.

Next, the Examiner asserts that the combination of *Lambert* and *Foladare* teach the third (response) step of Claim 1. This is incorrect.

The amended response step of Claim 1 reads as follows:

"transmitting from the mobile terminal via the cellular telephone network a response indicating whether the user wishes to accept the offer to download the digitally formatted product;"

The Examiner states:

Lambert does not expressly teach transmitting from the mobile terminal via the wireless communication network a response indicating whether the user wishes to accept the offer to download the digitally formatted product. However, Foladare teaches enabling a user to select songs and/or playlists through the use of a digital radio that communicates with a central server via wireless digital communication (col. 2, lines 1-38). Labert [*sic*] suggests combining it teachings [*sic*] with Foladare in that Lambert discloses providing wireless music services to listeners on a "pay-per-listen" basis (page 1, para. 5). Providing users with music on a "pay-per-listen" basis requires receiving user input. Since the users disclosed in Lambert are in close proximity to a digital radio, and Foladare teaches receiving user communications via a digital radio, it would have been obvious to one of ordinary skill in the art to modify Lambert to include the transmitting from the mobile terminal via the wireless communication network a response indicating whether the user wishes to accept the offer to download the digitally formatted product.

(Office Action, ¶4, page 4)

This paragraph is puzzling in several respects.

First, it is unclear what the Examiner thinks suggests the combination of *Lambert* and *Foladare*. It appears that the Examiner's suggested motivation for combining *Lambert* and *Foladare* is the fact that *Lambert* mentions providing a wireless audio service on a "pay-per-listen" basis. How or why does that suggest its combination with *Foladare*? In fact, it appears the "pay-per-listen" feature is what the Examiner wants to combine with *Foladare*. This, in turn, suggests the

Examiner is using the claimed invention itself in order to combine these references. As stated by the Federal Circuit, "[I]t is impermissible to use the claimed invention as an instruction manual or template" to [piece together the teachings of the prior art so that the claimed invention is rendered obvious. This court has previously stated that "[o]ne cannot use hindsight reconstruction to pick and choose among the isolated disclosures in the prior art to deprecate the claimed invention" " (*In re Fritsch*, 972 F.2d 1260, interior citations omitted (Fed. Cir. 1992)). The Examiner is using impermissible hindsight to combine the references.

Second, insofar as the Examiner's reasoning for combining the references is unclear, the Examiner has not made a *prima facie* case of obviousness. As stated by the Federal Circuit, "**particular** findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed" (emphasis added, *In re Kotzab*, 217 F.3d 1365, 1371, (Fed. Cir. 2000). Furthermore, the Examiner "must identify **specifically** the principle, known to one of ordinary skill, that suggests the claimed combination. In other words, the [PTO] must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious." (emphasis added, *In re Rouffet*, 149 F.3d 1350, 1359, (Fed. Cir. 1998)). Insofar as the Examiner has not made his reasons for combining these two references clear, the Examiner has not met his burden of showing the motivation behind this combination.

Third, although it is safe to assume that "[p]roviding users with music on a "pay-per-listen" basis requires receiving user input", the *Lambert* reference provides no guidance as to **how** the user transmits such a response. There is no indication or suggestion that the satellite radios in *Lambert* are capable of being transmitters at all, never mind whether they are capable of transmitting responses to offers. Furthermore, *Lambert* says nothing concerning user input. At best, *Lambert* provides an "invitation to explore" user input, but not a teaching or disclosure of user input that is appropriate to an obviousness rejection (see, e.g., *Ex parte Obukowicz*, 27 USPQ 2d 1063, 1065 (B.P.A.I. 1992) (general statement from reference provides "invitation to ... explore" but not specific enough for support of an obviousness rejection).

Fourth, even if the combination of *Lambert* and *Foladare* was permissible in this context (which, as shown above, it is not), the combination of *Lambert* and *Foladare* does **not** teach the amended response step, i.e. "transmitting from the mobile terminal via the cellular telephone

network a response indicating whether the user wishes to accept the offer to download the digitally formatted product".

At least for all of the above reasons, the combination of *Lambert* and *Foladare* neither teaches nor suggests the amended response step of Claim 1 in the present application.

Next, the Examiner asserts that the combination of *Lambert*, *Foladare*, and Official Notice teach the fourth and final (download) step of Claim 1. This is incorrect.

The amended download step of Claim 1 reads as follows:

"transmitting via the cellular telephone network the digitally formatted product to the mobile terminal if the user accepts the offer to download the digitally formatted product "

After admitting that *Lambert* and *Foladare* do not teach this step, the Examiner states:

... However, the examiner takes Official Notice that providing a user with a program in response to the user's acceptance of an offer for the purchase of the program is old and well known in the art. For example, users have long been provided with "Pay-Per-View" programming in response to the user's acceptance of an advertised offer. *Lambert* suggests modifying its teachings to include transmitting the digitally formatted product to the mobile terminal in response to the user's acceptance in that *Lambert* discloses providing users with radio programming on a "pay-per-listen" basis (page 1, para. 5). Offering programming on a "pay-per-listen" basis requires the user to select a specific item for purchase. Therefore, at the time of the applicants' invention, it would have been obvious to one of ordinary skill in the art, to modify *Lambert* and *Foladare* to include transmitting the digitally formatted product to the mobile terminal in response to the user's acceptance.

(Office Action, ¶4, pages 4-5)

The Examiner has made several errors in this paragraph.

First, as explained in reference to the offer step above, 1) *Lambert* does not suggest combining its service with a Pay-Per-View cable television service; 2) the Examiner is using Official Notice as the principal evidence in teaching this step, which is impermissible; and 3) similarly to the *In re Lee* case, the Examiner is remedying the deficiencies of the prior art with statements of general knowledge, where these statements are impermissibly vague.

Second, the example of users accepting offers of "Pay-Per-View" programming is inapposite to the transmit step of Claim 1. Cable TV programming is a broadcast streaming service, where the signal is received and presented to the user in real-time. The user does not download a digitally formatted product to a terminal, as recited in Claim 1 of the present application.

Third, the comments above concerning the combination arguments of the Examiner in the response step are applicable to the combination arguments here: 1) it is unclear what the Examiner thinks motivates the combination; and 2) insofar as the Examiner's reasoning for combining the references is unclear, the Examiner has not made a *prima facie* case of obviousness.

Fourth, the comments above concerning the "user input" argument of the Examiner in the response step are applicable to the "select a specific item for purchase" argument here: *Lambert* says nothing concerning a selection process--at best, *Lambert* provides an "invitation to explore" user selection, but not a teaching or disclosure of user selection that is appropriate to an obviousness rejection (see, e.g., *Ex parte Obukowicz*, 27 USPQ 2d 1063, 1065 (B.P.A.I. 1992) (general statement from reference provides "invitation to ... explore" but not specific enough for support of an obviousness rejection)).

Fifth, even if this combination of *Lambert*, *Foladare* and Official Notice was permissible in this context (which, as shown above, it is not), the combination of *Lambert*, *Foladare* and Official Notice does **not** teach the amended download step, i.e., "transmitting to the mobile terminal via the cellular telephone network at predetermined time intervals and without user action an offer to download a digitally formatted product".

At least for all of the above reasons, the combination of *Lambert*, *Foladare* and Official Notice neither teaches nor suggests the amended download step of Claim 1 in the present application.

In general (referring to all four steps of Claim 1 in combination), neither the combination of *Lambert* and *Foladare*, nor the combination of *Lambert*, *Foladare* and Official Notice, teach or suggest having **two networks**: the Internet and a cellular telephone network. Moreover, neither combination teaches or suggests a subscription service system including a subscription server on the Internet and a mobile terminal in a cellular telephone network.

In summary, at least because:

- The Examiner has repeatedly used Official Notice and Official Notice should not be used in a Final Rejection (MPEP §2144.04).
- The Examiner has not provided an adequate motivation or suggestion for combining *Foladare* and *Lambert* in a §103 obviousness rejection.

- The Examiner has not provided an adequate motivation or suggestion for combining *Foladare*, *Lambert*, and Official Notice in a §103 obviousness rejection.
- The Examiner is trying to remedy the deficiencies of the prior art references with statements of general knowledge, which is impermissible (*In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002)).
- The impermissible combination of *Lambert* and *Foladare* does not teach nor suggest "subscribing, by the user, to the on-line subscription service by interacting with a subscription server on the Internet" (the subscribe step of Claim 1).
- The impermissible combination of *Lambert*, *Foladare*, and Official Notice does not teach nor suggest "transmitting to the mobile terminal via the cellular telephone network at predetermined time intervals and without user action an offer to download a digitally formatted product" (the offer step of Claim 1).
- The impermissible combination of *Lambert* and *Foladare* does not teach nor suggest "transmitting from the mobile terminal via the cellular telephone network a response indicating whether the user wishes to accept the offer to download the digitally formatted product" (the response step of Claim 1).
- The impermissible combination of *Lambert*, *Foladare*, and Official Notice does not teach nor suggest "transmitting via the cellular telephone network the digitally formatted product to the mobile terminal if the user accepts the offer to download the digitally formatted product" (the download step of Claim 1).

-- the rejection of Claim 1 fails. Withdrawal of the rejection of Claim 1 is respectfully requested.

Insofar as the above arguments concerning method Claim 1 are applicable to independent system Claim 6 and independent method Claim 10, the rejection of Claims 6 and 10 fail. Withdrawal of their rejection is respectfully requested. It should be noted that Claim 6 has been amended to clarify that the method steps of either independent Claim 1 or independent Claim 10 could be performed on the system as recited in independent system Claim 6.

At least because dependent method Claim 16 and corresponding dependent system Claim 17 are dependent upon Claims 1 and 6, respectively, which are patentable over the cited prior art, Claims 16 and 17 are also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested. However, it should be noted that the Examiner's assertion that the limitation

recited in Claims 16 and 17 is taught by the combination of *Foladare* and *Lambert* (Office Action, ¶4, page 5) is incorrect. The user-specific information recited in Claims 16 and 17 may include "the capabilities of said mobile terminal". Not only do *Foladare* and *Lambert* **not** teach user-specific information including capabilities of the mobile terminal, there is no reason that either *Foladare* or *Lambert* would need such information. The receivers in both the DAB system of *Lambert* and the digital radio system of *Foladare* are built expressly as part of each system. Claims 16 and 17 of the present application contemplate an embodiment of the present invention in which the mobile terminals may be manufactured differently. For example, in a cellular telephone embodiment, the mobile terminals (cell phones) may be manufactured by different manufacturers or be of different generations, and so, may have different capabilities in terms of what each one can present to its user. Furthermore, PDAs and other devices might be able to communicate with the cellular network, thus bringing other, different capabilities into the mix. Because dependent Claims 16 and 17 recite user-specific information which may include the capabilities of the user's mobile terminal, and the cited prior art neither teaches nor suggests such information, Claims 16 and 17 are patentable over the cited prior art. For this additional reason, withdrawal of their rejection is requested.

At least because dependent method Claim 4 is indirectly dependent upon Claim 1, which is patentable over the cited prior art, Claim 4 is also patentable over the cited prior art. Withdrawal of the rejection is respectfully requested. However, it should be noted that the Examiner's assertion that the step of "transmitting user-specific information wherein the user-specific information comprises financial information concerning how the user pays for the digitally formatted product" recited in Claim 4 (Office Action, ¶4, page 6) is taught by the combination of *Foladare*, *Lambert*, and Official Notice is incorrect. First, the arguments made above concerning the use of Official Notice and the lack of motivation for combining *Foladare*, *Lambert*, and Official Notice apply here. Second, how the Examiner's "Official Notice that transmitting financial information for the purchase of paid programming, such as in the context of "Pay-Per-View" programming is old and well known in the art" (Office Action, ¶4, page 6) combined with *Lambert* and *Foladare* teaches the step of transmitting user-specific financial information is particularly unclear.

The transmission of user-specific financial information for the purchase of "Pay-Per-View" programming is typically done on the telephone, i.e., on a **completely different** communication network that the one on which the program is being broadcast. The Examiner

appears to be arguing that the mere fact that user-specific financial information must be communicated *in some fashion, at some point in time, using some sort of means*, to the provider of "Pay-Per-View" programming renders the step of a user, during a subscription process taking place by interaction via a wireless network with a subscription server, transmits user-specific financial information to be stored on the subscription server obvious. Thus, the Examiner is arguing that the combination of 1) Official Notice that a cable TV subscriber can physically go to the cable TV provider's place of business and provide the cable TV provider with a written form indicating his or her preferred mode of payment; 2) the description of a virtual audio library in *Foladare*; and 3) the bare-bones disclosure of a satellite broadcast system in *Lambert* teaches all the limitations of the Claim 4 of the present application. Not only is there no motivation to combine these three items, it is difficult to see how the combination itself can teach all of the specific limitations in Claim 4 of the present application. Because the cited combination, which is impermissible for having no motivation to be combined, neither teaches nor suggests the limitations of dependent Claim 4, Claim 4 is patentable over the cited prior art. For this additional reason, withdrawal of the rejection is requested.

At least because dependent method Claim 20 and corresponding dependent system Claim 18 are indirectly dependent upon Claims 1 and 6, respectively, which are patentable over the cited prior art, Claims 20 and 18 are also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested. However, it should be noted that the Examiner's assertion that the limitation recited in Claims 20 and 18 is taught by the combination of *Foladare* and *Lambert* (Office Action, ¶4, page 7) is incorrect. The Examiner asserts that *Foladare* "teaches the [step] of receiving user-specific information during a subscription process ..." (Office Action, ¶4, page 7). However, as discussed above, *Foladare* neither teaches nor suggests a "subscription process", but merely indicates that an ID is assigned "when a subscriber subscribes to the system" (*Foladare*, col. 5, line 49). *Foladare* neither teaches nor suggests the how, the when, or the where of a subscription process. Furthermore, the impermissible combination of *Foladare* and *Lambert* neither teaches nor suggests sending an offer to a user to download a file, where the file corresponds to user-specific preferences. Because the cited combination, which is impermissible for having no motivation to be combined, neither teaches nor suggests the limitations of dependent Claims 18 and 20, Claims 18 and 20 are patentable over the cited prior art. For this additional reason, withdrawal of the rejection is requested.

At least because dependent method Claim 8 is dependent upon Claim 6, which is patentable over the cited prior art, Claim 8 is also patentable over the cited prior art. Withdrawal of the rejection is respectfully requested. However, it should be noted that *Lambert* does not teach, suggest, or otherwise discuss electronic books or video material.

At least because dependent system Claim 7 is indirectly dependent upon Claim 6, which is patentable over the cited prior art, Claim 7 is also patentable over the cited prior art. Withdrawal of the rejection is respectfully requested. However, it should be noted that the arguments made above concerning the use of Official Notice and the lack of motivation for combining *Foladare*, *Lambert*, and Official Notice apply here. Furthermore, the Examiner's alleged motivation for combining the Examiner's "Official Notice that establishing an online account with a vendor wherein the user's payment information is stored on the merchant database is old and well known in the art" (Office Action, ¶4, page 8) with *Lambert* and *Foladare* has absolutely no basis in any of *Foladare*, *Lambert*, and the Examiner's Official Notice. The Examiner's alleged motivation is that "the user would not be distracted from driving while providing payment information" (Office Action, ¶4, page 8). Driving is neither discussed nor suggested by *Foladare* or the Examiner's Official Notice, and *Lambert*, which discusses receivers mounted in cars, neither teaches nor suggests any scheme of processing payment, whether using the receiver or not.

Further still, in his rejection of Claim 7, the Examiner alleges that *Lambert* "suggests implementing a means for transmitting an offer to download a digitally formatted product" (Office Action, ¶4, page 8) and "teaches a means for charging the user the price for the digitally formatted product". Neither device is discussed, mentioned, or suggested in *Lambert*.

Claim 9 has been cancelled without prejudice, thus its rejection is moot..

At least because dependent method Claim 12 and dependent system Claim 19 depend upon independent Claims 10 and 6, respectively, which are patentable over the cited prior art, Claims 12 and 19 are also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested. However, it should be noted that the arguments made above concerning the use of Official Notice and the lack of motivation for combining *Foladare*, *Lambert*, and Official Notice apply in these claims. Furthermore, there is no clear basis for Examiner's Official Notice and its usage is hereby traversed. Further still, the Examiner's Official Notice is being impermissibly used to cure deficiencies in the cited prior art.

At least because dependent Claims 5, 15, and 21 are dependent upon Claims 1 and 10, which are patentable over the cited prior art, Claims 5, 15, and 21 are also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested.

II. Rejection of Claims 11 and 13 under 35 U.S.C. §103(a)

The Examiner rejected dependent Claims 11 and 13 under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare*, Official Notice, and *Eller* (Office Action, ¶5). At least because Claims 11 and 13 depend from independent Claim 10, which is patentable over the cited prior art (as explained in Sect I above), Claims 11 and 13 are also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested.

III. Rejection of Claims 2 and 3 under 35 U.S.C. §103(a)

The Examiner rejected dependent Claims 2 and 3 under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare*, Official Notice, and *Frey* (Office Action, ¶6). At least because Claims 2 and 3 depend from independent Claim 1, which is patentable over the cited prior art (as explained in Sect I above), Claims 2 and 3 are also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested.

IV. Rejection of Claim 14 under 35 U.S.C. §103(a)

The Examiner rejected dependent Claim 14 under 35 U.S.C. §103(a) as being unpatentable over *Lambert* in view of *Foladare*, Official Notice, *Eller*, and *Kazmierczak* (Office Action, ¶7). At least because Claim 14 depends from independent Claim 10, which is patentable over the cited prior art (as explained in Sect I above), Claim 14 is also patentable over the cited prior art. Withdrawal of their rejection is respectfully requested.

Newly added Claims 22-23

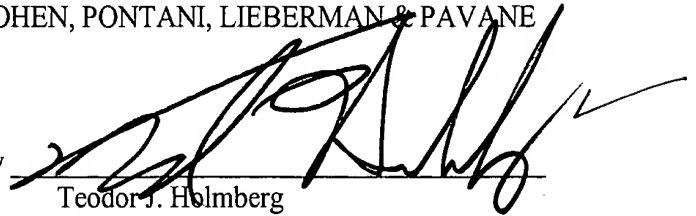
Dependent Claims 22-23 were added in the current amendment. Claims 22-23 contain new matter: Claim 22 contains material at least on lines 3-10 on page 13 of the original specification and Claim 23 contains material at least on line 17, page 11, to line 1, page 12 of the original specification. At least because Claim 22 and 23 depend from Claim 1, which is in

condition for allowance (as explained in Sect. I above), Claims 22-23 are also in condition for allowance. Their allowance is respectfully requested.

Respectfully submitted,

COHEN, PONTANI, LIEBERMAN & PAVANE

By

A handwritten signature in black ink, appearing to read 'Teodor J. Holmberg', is written over a horizontal line. The signature is stylized and cursive.

Teodor J. Holmberg

Reg. No. 50,140

551 Fifth Avenue, Suite 1210

New York, New York 10176

(212) 687-2770

Dated: May 5, 2003